



RussellConstructionServices.com

Our project design team will consist of Russell Construction Services (Builder) teaming with Ted M. Jasinski, AIA (Designer) of Frederick Ward Associates for architectural design, DeWolfe Engineering Associates for civil and structural engineering services, Stibler Associates for the interior design and WV Engineering for the building infrastructure of engineering components (MEP). A project organizational chart was included as part of our oral interview to better understand the team, the roles and the responsibilities.

Russell Construction Services (RCS) is one of New England's oldest General Contractors and brings over 72 years experience to the team. Founded in 1934, RCS has developed a great reputation by delivering a high quality product on time and within budget. ***"Doing things right"*** has become the mission statement for the company. Currently one of the largest construction firms in Vermont, RCS has completed many projects in New England and beyond. In keeping with the time honored philosophy of ***"Doing things right"***, the current Company President, John Russell III, will continue the Company's mission, bringing quality, integrity and reliability to the Meadows at Sullivan County project. RCS has assigned Ken Wonsor as the Project Manager to lead the team of designers and builders. Ken has over 28 years of experience in the construction industry and a proven track record with design/build projects. Ken's strengths are his dedication and exceptional awareness to cost and schedule to ensure a successful project while providing the client with the highest level of quality and satisfaction achievable. Joining John and Ken on the team will be Craig Jennings, Director of Estimating. Craig will oversee the entire pricing and estimating for the project. He will be responsible for tracking the cost of the project from the initial design stages as concepts are being developed, through the value-engineering stages into the final "buyout" of the subcontractors for the project.

Joining RCS on the team and leading the design aspect is the firm of Frederick Ward Associates, Inc. Upon celebrating 50 years of service to the community and with a staff of over 60 architects, landscape architects and engineers, FWA brings a history of quality design and successful architectural projects to the team. The design team will be led by Ted M. Jasinski, AIA, NCARB. Ted has over 30 of experience in the design of senior living facilities and has completed a number of projects in New England including, The Gables I and II, Equinox Village, Clough Center Nursing Home, Loomis Village, Westview Meadows, Sugar Hill and Franklin Rehab and Nursing Center. Ted has been a presenter at regional, state and national conventions, as well as having won a number of awards for senior living projects from ALFA, NAHB and others.

The teams' other design consultants; DeWolfe Engineering Associates, WV Engineering Associates and Stibler Associates are all within close proximity to the site and have worked with our design/build team on numerous projects. All of our team members have a reputation for quality design and successful projects.

PRELIMINARY WORK PLAN:

The process begins with the creation of the unified team, including the client/owner. In this case, Russell Construction Services is our leader. Ken Wonsor, our Project Manager, will be the direct point of contact for our group. Of course, there will be many times when it is easier to contact the design team with a question. In this case, Ted Jasinski will be the contact, with all information regarding decisions going back to our team leader, Ken. Ken and Ted have worked together for nearly 6 years together and have a great understanding of the process and the "who does what" scenario. We work together to discuss schedule, costs, design ideas, etc. to allow the project to flow without hesitation through the various phases on the design/build process.

In working with you, our team will first gain an understanding of the project through discussions with your group and reviewing the market study. Once an understanding is gained we will set up an appropriate task list based on the scope. One of the first tasks will be to develop the "Project Program". This program will include the items necessary for inclusion in the project, as determined by the market study, through experience and discussions. The program will include but is not limited to unit mix, size and type of spaces within the units, common areas such as circulation, activity areas, dining, storage, mechanical and administration spaces. This

information will be placed in a spreadsheet format with size, spatial requirements, etc. as headings.

In conjunction with the development of the program our civil engineers will be assembling the site information to begin site planning for the project. Upon completion of the program and site base information, we will begin to associate the spaces, units, etc. into building footprints. These footprints will be tested on the site. We foresee several "test plans" being created and discussed in our meetings until a single plan is agreed upon. Once we have an agreed upon site plan and a general idea of the building elements we will begin discussions with the Boards, Agencies, etc. that will be required to grant permits for the project. These meetings and discussions will begin the dialog necessary to form the final documentation for the marketing package for the project. We foresee the marketing materials being completed within a two week period of final approval of the design. This will allow the marketing for Priority Depositors to begin early in year 2007.

PROJECT SCHEDULE:

First and foremost, a full project schedule will be formed upon award of the project to track the various aspects of the design; civil engineering design, architectural design, etc. At each meeting an updated project schedule will be a handout and is an ongoing meeting item in the minutes. Regular meetings will be scheduled to keep everyone informed regarding design decisions, milestones in schedule, pricing, etc. We suggest a meeting every three weeks until the preliminary design and the marketing package is complete. During this period the team meetings keep everyone aware of the status of all aspects of the project. We foresee the summary of the project schedule as follows:

<i>October 17, 2006</i>	<i>Selection of Design/Build Team</i>
<i>October 20, 2006</i>	<i>Project Kick-off Meeting</i>
<i>November 10, 2006</i>	<i>Project Progress Meeting</i>
<i>November 22, 2006</i>	<i>Project Progress Meeting</i>
<i>December 8, 2006</i>	<i>Final Approval of Depositor Prospectus Brochure</i>
<i>December 15, 2006</i>	<i>Delivery of Final Depositor Prospectus Brochure</i>
<i>January 2007 to July 2007</i>	<i>Participate in Marketing Information Sessions, etc. (4 sessions budgeted)</i>

PROJECT FEE SCHEDULE:

The scope of services that we have assumed for this portion of the project, which we will deem "Phase 1", is as follows:

1. Provide programming services to determine the size, type and relationships of the various spaces to be contained on the site and within the buildings for the project. Develop and finalize a written building program based on the information gathered.
2. Research and provide preliminary site information based upon existing documentation available such as USGS mapping, aerial photography, etc. Conduct a site walk of the site to determine wetland impact, visible obstructions, soil types, etc.

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3. Develop schematic design documents including unit plans, site plan, building plans, exterior elevations, typical building sections, etc as necessary to convey the design intent. The design will be based upon the approved program as outlined above.
4. Develop a project schedule to track progress.
5. Develop a project cost estimate based upon the schematic design and project program. The cost estimate will be developed from current pricing information and historic data of recently completed projects.
6. Complete a Depositor Prospectus Brochure for marketing the project.
7. Complete a written summary of the "Phase I" portion of the project including Project Schedule, Project Cost Estimate, Summary of assumptions of the building design in outline specification format, Depositor Prospectus Brochure and provide 10 bound copies for your use with PDF electronic copies.
8. Attend 4 progress meetings to complete and approve the "Phase I" portion of the project.
9. Participate in luncheons, meetings, etc. to promote the project (4 budgeted).
10. Provide Sullivan County with a Part I Design/Build Contract to move forward with the future tasks associated with the project to completion.

The fee outlined below is for the "Phase I" of the Design/Build process for this project, which takes the project to the completion of the tasks outlined above.

- **Russell Construction Services (Management/Cost Estimating):** \$ 5,000
- **DeWolfe Engineering Associates (Civil Engineering):** \$ 1,000
- **Frederick Ward Associates (Architecture, Master Planning)** \$11,000
- **Project Reimbursables:** \$ 2,500

TOTAL: \$19,500

REIMBURSABLE COSTS:

All reimbursable costs of the project including, without limitation, blueprints, mylars, copies, postage, overnight and day courier deliveries, travel, mileage, etc. are included within the reimbursable fee noted above.

APPLICATION/PERMIT FEES

All application fees shall be paid by the client at the time of application.

ADDITIONAL SERVICES NOT INCLUDED

We can provide additional services at your request during any of the above phases if the scope of the project changes. Examples of additional services would be:

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- Making revisions to previously approved drawings,
- Geotechnical Services,
- Wetland Delineation,
- Boundary and Topographic Survey,
- Any service not specifically mentioned as included previously

PROFESSIONAL FEES

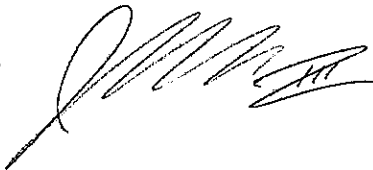
Itemized bills shall be sent on a monthly basis. Payment of bills shall be due upon receipt and are past due thirty (30) days from the invoice date. Client agrees to pay a finance charge of 1½% (one and one-half per cent) per month or a maximum rate of 18% (eighteen per cent) per annum on past due accounts. Frederick Ward Associates reserves the right at all times to suspend or terminate the work if the client's account is past due.

Frederick Ward Associates' Standard Contract Terms and Conditions and 2006 Professional Fee Schedule for our agreements have been attached for your review. These standard terms and conditions are to be considered part of this agreement and included as is stated herein.

Russell Construction Services, Frederick Ward Associates and our design team are excited about the opportunity to provide service to the Sullivan County Commissioners for this challenging and rewarding project. We look forward to discussing our teaming efforts with you in greater detail. Please feel free to contact us for any additional information.

Respectfully submitted on behalf of Russell Construction Services and the design team.

Sincerely,



John A. Russell III
President
Russell Construction Services



Ted M. Jasinski, AIA, NCARB
Senior Architect/Project Manager
Frederick Ward Associates

ACCEPTED BY:



Signature COUNTY MANAGER

10/16/06

Date



FREDERICK WARD ASSOCIATES

P.O. Box 727, 5 South Main Street
Bel Air, Maryland 21014-0727
410-879-2090
410-893-1243 fax

www.frederickward.com

| ARCHITECTS | ENGINEERS | PLANNERS | SURVEYORS |

STANDARD CONTRACT TERMS AND CONDITIONS

1. **ACCEPTANCE PERIOD:** Frederick Ward Associates, Inc., (hereafter referred to as "FWA") hereby agrees that this proposal shall remain effective for a period of 90 days. Acceptance of the conditions stated herein after the end of that period shall be valid only if affirmed in writing by FWA.
2. **LIMITATION OF LIABILITY:** It is understood and agreed that FWA's total aggregate liability to the Client, the Client's agents and employees, and to any persons or entities performing work or supplying materials in connection with the design or construction of the project, for any and all damages arising out of or relating to any work or services provided under this agreement or any errors, omissions, or negligence of FWA or any of its agents, employees or consultants shall not exceed and is limited to \$50,000.00, or the amount paid to FWA for its work, whichever is greater. The parties hereby acknowledge that the fees to be charged by FWA as set forth in this agreement, have been agreed upon in consideration of this limitation of liability. If the Client elects not to limit FWA's liability as set forth above, FWA will agree to waive this limitation up to the amount, and to the extent of, its applicable professional liability insurance coverage, provided the Client's election is conveyed in writing to FWA at the time of, or prior to, execution of this agreement, and provided the Client agrees to pay as additional consideration four percent of the total fee or \$400, whichever is greater. Such additional charge is in consideration of the additional risks of liability assumed by FWA, and is not to be construed as a charge for additional professional liability insurance. All claims for additional costs, delays or other backcharges against FWA shall be made prior to final payment. Client waives all claims for additional costs, delays or other backcharges against FWA which are not identified and expressly reserved in writing delivered to FWA at the time of final payment.
3. **TIME OF COMPLETION:** Although it is the policy of FWA to complete all engineering and surveying services in a timely manner and in a manner consistent with its professional responsibility, there is no guarantee expressed or implied as to when work will be completed or when plans will be reviewed or approved by the applicable governing agencies, except as noted in the proposal.
4. **PAYMENT:** Invoices shall be rendered on a periodic basis and are considered due when rendered. If fees are not paid within thirty (30) days from the date of billing, FWA reserves the right to pursue all appropriate remedies, including immediate stopping of work and retaining all data and drawings, without recourse.
Invoices remaining unpaid for more than thirty (30) days shall be subject to a service charge of 1 1/2% (one and one-half per cent) per month, a maximum rate of 18% (eighteen per cent) per annum. The service charge shall apply until the unpaid amount, including service charge, is paid in full. Failure to pay invoices on time may be considered a delay caused by the Client.
FWA reserves the right to refer to its attorney for legal collection all invoices open for a period of thirty (30) days or more.
Upon referral to FWA's attorney, Client shall immediately become liable for an attorney's fees of not more than twenty-five percent (25%) of the unpaid past due account, plus court costs and service fees incurred.
5. **ADDITIONAL SERVICES:** Any work not specifically outlined in the contract body that is either required or requested by the client will be considered extra work and will be billed on a per hour basis or under separate contract. The client will be notified prior to proceeding with any extra work.

6. **NOTICE TO STOP WORK:** It is understood that once work is initiated in accordance with the terms of the proposal, the Client or its duly authorized agent may order the work stopped, in writing to FWA. The Client hereby agrees to pay for all work completed and expenses incurred up to and including the day work is stopped in accordance with written notice.
Upon work stoppage or delay caused by the Client, public agencies or causes beyond the control of FWA, FWA reserves the right to renegotiate the terms of the proposal.
7. **CLAIMS:** In the event the Client makes a claim or brings an action against FWA for any act arising out of the performance of the services hereunder, and the Client fails to prove such claim or action, the Client shall pay all attorney fees, legal and other costs incurred by FWA in defense of such claim or action.
In the event it becomes necessary for FWA to take legal actions for the purpose of collecting fees which become due as a result of work performed in conjunction with this proposal, the Client agrees to pay all attorney fees, legal and other costs incurred by FWA as a result of these legal actions.
The laws of Maryland shall govern regarding this agreement and any state or federal court in Maryland shall have jurisdiction of any suit, actions, or proceeding related to this agreement.
8. **EXISTING CONDITIONS:** The proposal is based on regulations, policies and requirements that are in effect at the time the proposal was prepared. Changes that occur after the proposal date may require renegotiation of the fee.
9. **STANDARD OF CARE:** In connection with the services performed hereunder, FWA will use that degree of care and skill ordinarily exercised under similar conditions by reasonably prudent members of the engineering profession practicing in the same or similar locality. No other warranty, expressed or implied, is made or intended by the proposal for consulting services or by FWA furnishing oral or written reports.
10. **REMEDIES:** In the event the Client becomes aware that an error or omission by FWA has been discovered, or a change in the conditions reported by FWA is suspected, FWA shall receive prompt notice of such error, omission, or change in order that FWA may have the opportunity to effect an acceptable solution or remedy. Failure to provide prompt notice or to provide FWA the opportunity to remedy the situation shall relieve FWA of any further liability.
11. **OWNERSHIP OF DOCUMENTS:** All documents, including, but not limited to, drawings, specifications reports, field notes, calculations and estimates, prepared by FWA as Instruments of service pursuant to this Agreement shall be the sole property of FWA. The Client agrees that all documents of any nature furnished to the Client or the Client's agents or designees, if not paid for, will be returned upon demand and will not be used by the Client for any purpose whatsoever. The Client further agrees that under no circumstances shall any documents produced by FWA pursuant to this Agreement, be used at any location or for any project not expressly provided for in this Agreement without the written permission of FWA.
12. **SAFETY:** Should FWA provide construction observations or monitoring services at the job site during construction, Client agrees that, in accordance with generally accepted construction practices, the Contractor will be solely and completely responsible for working conditions on the job site, and that these requirements will apply continuously and not be limited to normal working hours. Any monitoring of the Contractors' procedures, conducted by FWA is not intended to include review of the adequacy of the Contractor's safety measures in, on, adjacent to, or near the construction site.
13. **RECORD DRAWINGS:** Upon Completion of the work, FWA shall, if required and included in the proposal, compile and deliver to the Client, a set of record documents conforming to the construction records for the contractor, as provided to FWA. This set of documents shall consist of the corrected plans showing the reported locations of work. While the information submitted by the Contractor and Incorporated by FWA into the record, may be assumed to be reliable, FWA will not be responsible for the accuracy of this information or for the errors or omissions which may appear in the record documents as a result thereof.

14. **ESTIMATES OF CONSTRUCTION QUANTITIES AND COST:** Estimates of earthwork quantities are provided solely for the purpose of calculating permit fees. Since final earthwork quantities are based on many conditions over which FWA has no control including accuracy of standard methods of calculations, variability of soils, allowable survey and construction tolerances, and compaction ratios, FWA does not guarantee the accuracy of these estimates. Contractors should be required by the Client to provide their own estimate of quantities in their respective bids.
- Since FWA has no control over the actual cost of labor, materials, equipment, or over the Contractor's method of determining prices, competitive bidding, or market conditions, estimates of construction costs shall be made on the basis of unit prices provided by the Client or Municipality, available records, and experience. These estimates represent the reasonable judgement as a design professional familiar with the construction industry. However, FWA cannot and does not guarantee that proposals, bids, or the construction cost will not vary from the estimated cost prepared by the firm. If the Client desire greater assurances as to the estimated construction cost, he shall employ an independent construction cost estimator. FWA's fee, and the payment thereof, is not contingent on construction cost estimates received from contractors.
15. **DEFINITION OF CONSTRUCTION REVIEW:** Construction review shall consist of visual observations of materials, equipment, or construction work for the purpose of ascertaining that the work, when complete, will generally be in accordance with the requirements of the contract documents and with the design intent. Such review shall not be relied upon by others as acceptance of the work, nor should it be construed to relieve the Contractor in any way from his obligations and responsibilities under the construction contract.
- FWA shall have no liability for, and the Client will defend, indemnify and hold harmless FWA from any claim or suit whatsoever, including but not limited to all payments, expense or costs involved, arising from or alleged to have arisen from the Contractor's performance or the failure of the Contractor's work to conform to the design intent and the contract documents.
16. **PERMITS/APPROVALS/TAXES:** FWA shall assist the Client in applying for and obtaining permits and approvals normally required by law. This assistance shall not extend, however, to the preparation of research studies, special documentation or special tests (unless specifically included in the proposal) which services, if required, shall be compensated for as "Additional Services." Assistance provided is not to be considered a guarantee of approval of issuance of a permit.
- This proposal does not include and the Client is responsible for paying the cost of review fees, permit fees, sales taxes or other taxes that may be assessed on services rendered as charged by the applicable public agency.
17. **TIME LIMITS ON FEES:** The fees in this proposal are valid for work performed within one year of the date of this contract. FWA reserves the right to adjust subject fees.
18. **THIRD PARTY CONTRACTS:** Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Client or Frederick Ward Associates.
19. **HAZARDOUS MATERIALS:** Unless otherwise provided in this Agreement, FWA and FWA's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials in any form at the Project site, including but not limited to asbestos, asbestos products, polychlorinated biphenyl (PCB) or other toxic substances. Therefore, the Client agrees to hold harmless, defend and indemnify FWA from all claims, law suits, expenses or damages arising from or related to the handling, use, treatment, purchase, sale, storage or disposal of asbestos, asbestos products, radon, or any hazardous materials.
20. **TAXES OR FEES:** Any taxes or fees, enacted by local, state or federal government subsequent to the date of this contract, and based on gross receipts or revenues will be added to amounts due under this contract, in accordance with any such fees or taxes.



FREDERICK WARD ASSOCIATES

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www.frederickward.com

ARCHITECTS

ENGINEERS

PLANNERS

SURVEYORS

RATE TABLE

JOB CLASSIFICATION

HOURLY RATE

Principal	\$195.00
Project Manager	\$100.00 - \$135.00
Project Architect	\$ 75.00 - \$ 95.00
Design Architect	\$ 65.00 - \$ 85.00
Architectural Designer	\$ 55.00 - \$ 75.00
Project Engineer	\$ 80.00 - \$100.00
Design Engineer	\$ 65.00 - \$ 85.00
Civil Designer	\$ 55.00 - \$ 75.00
Structural Engineer	\$ 90.00 - \$110.00
Landscape Architect/Land Planner	\$ 70.00 - \$ 90.00
Landscape Designer	\$ 55.00 - \$ 75.00
Environmental Technician	\$ 60.00 - \$ 80.00
Environmental Manager	\$ 80.00 - \$100.00
I.T. Manager	\$ 90.00 - \$125.00
CADD Technician	\$ 50.00 - \$ 60.00
Sr. CADD Technician	\$ 60.00 - \$ 70.00
Senior Survey Technician	\$ 60.00 - \$ 70.00
Survey Technician	\$ 40.00 - \$ 60.00
Survey Field Crew (3 man)	\$155.00
Survey Field Crew (2 man)	\$120.00
GPS Field Crew (3 man)	\$190.00
GPS Field Crew (2 man)	\$155.00
GPS Field Crew (1 man)	\$120.00
Robotic Field Crew	\$120.00
Construction Administrator	\$ 90.00 - \$100.00
Administrative Assistant	\$ 35.00 - \$ 50.00

Effective Date: November 1, 2005